

#### § 36.641

interstate expense allocation) is equal to the sum of the following:

(1) Ten percent of the study area average unseparated loop cost per working loop as calculated pursuant to § 36.622(b) in excess of 115 percent of the national average for this cost but not greater than 160 percent of the national average for this cost as calculated pursuant to § 36.622(a) multiplied by the number of working loops reported in § 36.611(a)(8) for the study area.

(2) Thirty percent of the study area average unseparated loop cost per working loop as calculated pursuant to § 36.622(b) in excess of 160 percent of the national average for this cost but not greater than 200 percent of the national average for this cost as calculated pursuant to § 36.622(a) multiplied by the number of working loops reported in § 36.611(a)(8) for the study area.

(3) Sixty percent of the study area average unseparated loop cost per working loop as calculated pursuant to § 36.622(b) in excess of 200 percent of the national average for this cost but not greater than 250 percent of the national average for this cost as calculated pursuant to § 36.622(a) multiplied by the number of working loops reported in § 36.611(a)(8) for the study area.

(4) Seventy-five percent of the study area average unseparated loop cost per working loop as calculated pursuant to § 36.622(b) in excess of 250 percent of the national average for this cost as calculated pursuant to § 36.622(a) multiplied by the number of working loops reported in § 36.611(a)(8) for the study area.

(e) Beginning April 1, 1989, the expense adjustment calculated pursuant to § 36.631 (c) and (d) shall be adjusted each year to reflect changes in the size of the Universal Service Fund resulting from adjustments calculated pursuant to § 36.612(a) made during the previous year. If the resulting amount exceeds the previous year's fund size, the difference will be added to the amount calculated pursuant to § 36.631 (c) and (d) for the following year. If the adjustments made during the previous year result in a decrease in the size of the funding requirement, the difference will be subtracted from the amount

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calculated pursuant to § 36.631 (c) and (d) for the following year.

[52 FR 17229, May 6, 1987, as amended at 53 FR 33011 and 33012, Aug. 29, 1988]

#### TRANSITIONAL EXPENSE ADJUSTMENT

##### § 36.641 Transition.

(a) The expense adjustment for 1993 and subsequent years shall be the amount computed in accordance with § 36.631.

(b) The expense adjustments for 1988 through 1992 shall be as follows:

(1) Three-eighths of the amount computed in accordance with § 36.631 in 1988;

(2) One-half of the amount computed in accordance with § 36.631 in 1989;

(3) Five-eighths of the amount computed in accordance with § 36.631 in 1990;

(4) Three-quarters of the amount computed in accordance with § 36.631 in 1991; and

(5) Seven-eighths of the amount computed in accordance with § 36.631 in 1992.

#### Subpart G—Lifeline Connection Assistance Expense Allocation

##### § 36.701 General.

(a) The Lifeline Connection Assistance Expense portion of the interstate apportionment shall consist of an expense adjustment computed in accordance with this subpart. The expense adjustment will be added to interstate expenses and deducted from state expenses for eligible study areas as defined in this subpart after all other steps required by this part have been completed.

(b) The expense adjustment will be computed as provided in § 36.741.

#### DEFINITIONS

##### § 36.711 Lifeline connection assistance.

(a) For purposes of this subpart, Lifeline Connection Assistance shall describe the following lifeline telephone assistance for eligible residential subscribers as defined in § 36.711 (b) and (c):

(1) A reduction in the charges for commencing telephone service assessed